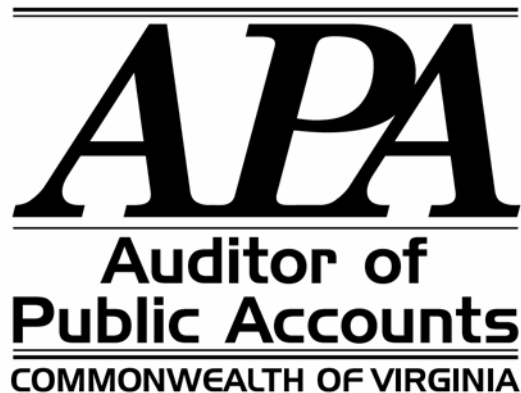


**OFFICE OF THE EXECUTIVE SECRETARY
OF THE SUPREME COURT OF VIRGINIA
CLERK OF THE SUPREME COURT
CLERK OF THE COURT OF APPEALS AND
THE JUDICIAL INQUIRY AND REVIEW COMMISSION**

RICHMOND, VIRGINIA

**REPORT ON AUDIT
FOR THE PERIOD JULY 1, 2001
THROUGH JUNE 30, 2004**



AUDIT SUMMARY

This report includes the Office of the Executive Secretary of the Supreme Court of Virginia, Clerk of the Supreme Court, Clerk of the Court of Appeals, and the Judicial Inquiry and Review Commission.

Our audit of these agencies for the period July 1, 2001 through June 30, 2004, found:

- proper recording and reporting of transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no material weaknesses in the internal controls tested; and
- no instances of non-compliance that are required to be reported.



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

June 10, 2005

The Honorable Mark R. Warner
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Lacey E. Putney
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We have audited selected financial records and operations of the **Office of the Executive Secretary of the Supreme Court of Virginia, the Clerk of the Supreme Court, the Clerk of the Court of Appeals, and the Judicial Inquiry and Review Commission** for the year ended June 30, 2004. We conducted our audit in accordance with the standards for performance audits set forth in Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objectives, Scope, and Methodology

Our audit's primary objective was to evaluate the accuracy of the agencies' recording of financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the agencies' internal controls, and test for compliance with applicable laws, regulations, contracts, and grant agreements.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the agencies' operations. We also tested transactions and performed such other auditing procedures as we considered necessary to achieve our objectives. We reviewed the overall internal accounting controls, including controls for administering compliance with applicable laws, regulations, contracts, and grant agreements. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

Revenue
Expenditures
Payroll
Fixed Assets
Cash Receipts

We gained an understanding of the overall internal controls, automated and manual, sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the agencies' controls were adequate, had been placed in operation, and were being followed.

Management has responsibility for establishing and maintaining internal control and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Our audit was more limited than would be necessary to provide assurance on internal control or to provide an opinion on overall compliance with laws, regulations, contracts and grant agreements. Because of inherent limitations in internal control, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal control to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

Audit Conclusions

We found that the Office of the Executive Secretary of the Supreme Court of Virginia, the Clerk of the Supreme Court, the Clerk of the Court of Appeals, and the Judicial Inquiry and Review Commission properly stated, in all material respects, the selected financial records listed in the scope section of this report.

We noted no matters involving internal control and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the agencies' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial records.

The results of our tests of compliance with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the Governor and General Assembly, management, and citizens of the Commonwealth of Virginia and is a public record.

EXIT CONFERENCE

We discussed this letter with management at an exit conference held on July 20, 2005.

AUDITOR OF PUBLIC ACCOUNTS

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AGENCY BACKGROUND AND FINANCIAL INFORMATION

Titles 16.1 and 17 of the Code of Virginia establish the Office of the Executive Secretary of the Supreme Court and administration of the judicial system's 319 courts including the Supreme Court and Court of Appeals, with approximately 2,500 salaried and full-time wage employees. The Executive Secretary maintains the Court Automated Information System, which accumulates financial and case information for the courts. The Executive Secretary also provides administrative services, including payment and payroll processing for the courts and magistrates, the Judicial Inquiry and Review Commission, and the Virginia Criminal Sentencing Commission. A brief summary of the agencies' missions follows.

Clerk of the Supreme Court

The Clerk of the Supreme Court is where individuals file appealed criminal and civil cases and apply for permission to practice law in Virginia courts. The Supreme Court appoints the Clerk, who serves at its pleasure. The Clerk's office receives, processes, and maintains permanent records of appeals and other official document filed with the Court. The Clerk also maintains records of qualified attorneys.

Court of Appeals of Virginia

The Court of Appeals of Virginia is an intermediate appellate court for criminal and civil cases. The Clerk of the Court of Appeals, appointed by the Court, serves at its pleasure. The Clerk processes and maintains permanent records of appeals and other official documents filed with the Court.

Judicial Inquiry and Review Commission

The Judicial Inquiry and Review Commission investigates complaints of judicial misconduct or serious mental or physical disability. The Commission employs staff that assist in the investigation of complaints of misconduct against all state court judges, members of the State Corporation Commission, and members of the Virginia Worker's Compensation Commission.

Budget and Financial Information

The following table summarizes the fiscal year 2004 budgeted versus actual expenses for the Office of the Executive Secretary and the related agencies. Expenses consisted mostly of payroll, contracts, equipment, and continuous charges, such as rent. This financial information comes from the Commonwealth Accounting and Reporting System.

<u>Agency</u>	<u>Budget</u>	<u>Actual</u>
Supreme Court	\$ 15,325,869	\$ 15,081,036
Circuit Courts	67,863,391	67,398,359
General District Courts	73,094,734	73,094,680
JDR Courts	57,988,297	57,988,820
Combined District Courts	23,659,360	23,652,688
Magistrates	18,429,753	18,429,753
Court of Appeals	6,022,361	6,021,301
Judicial Inquiry and Review Commission	<u>602,999</u>	<u>438,454</u>
Total	<u>\$262,986,764</u>	<u>\$262,105,091</u>

OFFICIALS

OFFICE OF THE EXECUTIVE SECRETARY OF THE SUPREME COURT OF VIRGINIA

Honorable Harry L. Carrico, Chief Justice

Robert N. Baldwin, Executive Secretary

CLERK OF THE SUPREME COURT

David B. Beach, Clerk

CLERK OF THE COURT OF APPEALS

Honorable Johanna L. Fitzpatrick, Chief Judge

Cindy McCoy, Clerk

JUDICIAL INQUIRY AND REVIEW COMMISSION

Donald H. Kent, Judge